

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: December 8-9, 2004

Reference No.: 3.12  
Information Item

From: CINDY McKIM, Acting  
Chief Financial Officer

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Chief  
Division of Rail

Ref: **FY 2004-05 – 1<sup>st</sup> QUARTER INTERCITY RAIL OPERATIONS REPORT  
SUMMARY**

The following is the Intercity Rail Operations Report for the 1<sup>st</sup> Quarter of Fiscal Year (FY) 2004-05. The report provides ridership, farebox ratio, and passenger miles per train mile with descriptive text for each route. When staff prepared this report, the Department of Transportation (Department) had not received final first quarter financial information from Amtrak. The resulting ridership data cover July through September 2004, while revenue information reflects the State FY 2003-04 data.

California provides funding and administrative support for expanded Amtrak intercity rail passenger service on three corridors within the state: the *Pacific Surfliner Route* between San Diego, Los Angeles and San Luis Obispo; the *San Joaquin Route* to Bakersfield from both Oakland and Sacramento; and the *Capitol Corridor* between the Sacramento region, Oakland and San Jose. These trains are, respectively, the second, third, and fifth busiest routes in the entire Amtrak national system. The Department administers State support for the *Pacific Surfliner* and *San Joaquin* routes, while a separate agency—the Capitol Corridor Joint Powers Authority—provides administrative support for that corridor using funding provided through the Department.

Overall ridership on California's three State-supported Amtrak intercity passenger corridors grew 3.6 percent this quarter compared to the first quarter of FY 2003-04.

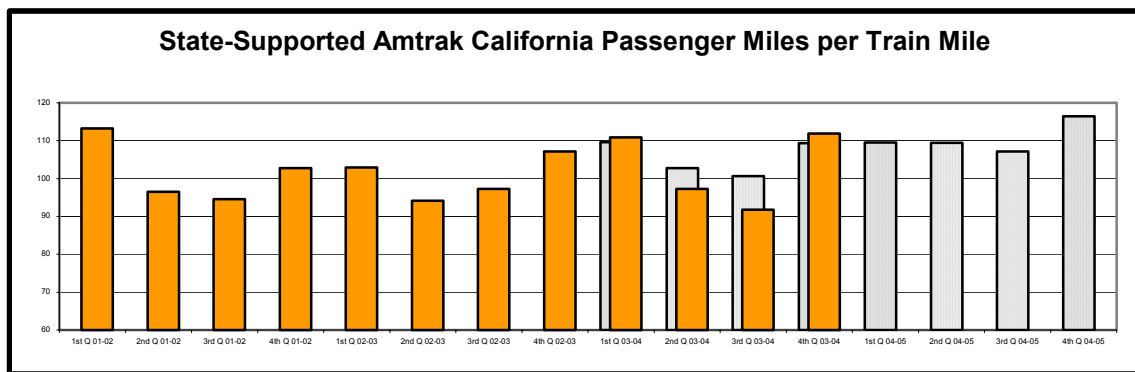
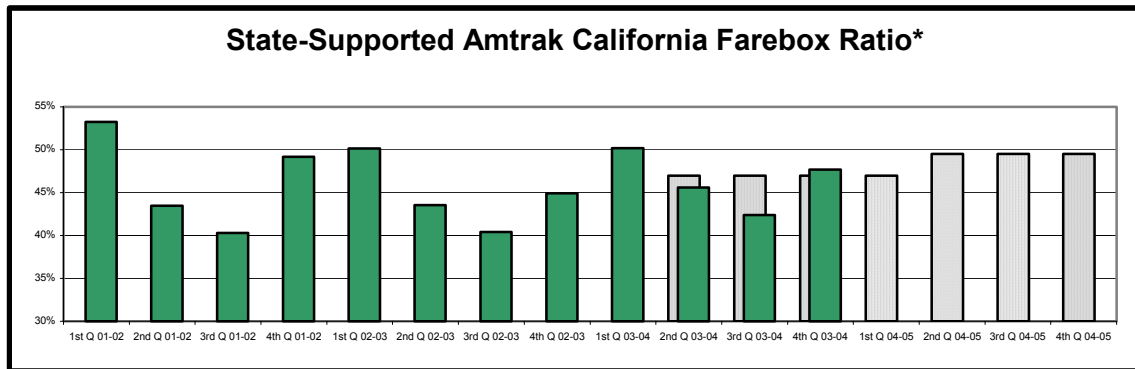
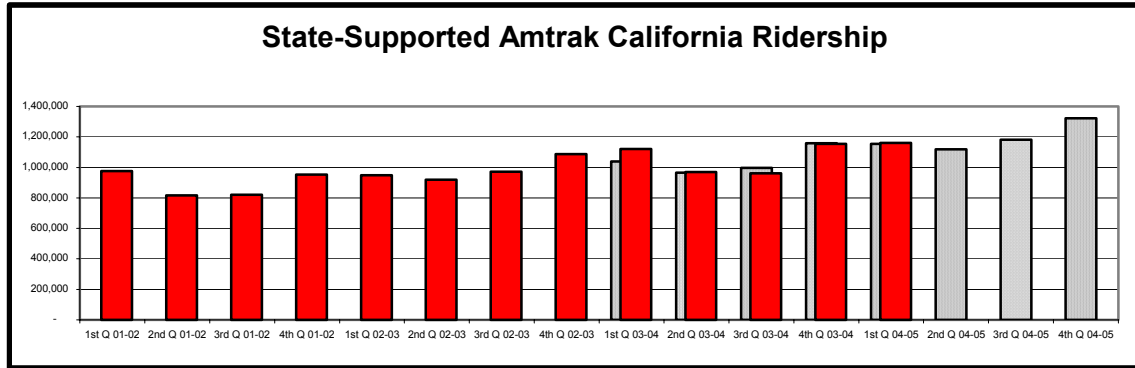
The combined farebox ratio for FY 2003-04 was 45.4 percent—2.4 percentage points higher than the 43 percent figure from FY 2002-03. If adding State costs for administration and marketing to Amtrak train and bus operating expense billings, the ratio drops to 42.4 percent for FY 2003-04 (versus 40.1 percent for FY 2002-03).

Passenger Miles per Train Mile (PM/TM), a measure of the average number of passengers on board an individual train at any one time, were 103 for FY 2003-04—2.5 percent above the 100.4 PM/TM of FY 2002-03.

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The following graphs depict the combined results of the three State-supported rail corridors in California. Route specific charts are found in the sections for each route that follow.



\* - Excludes State costs for administrative and marketing costs

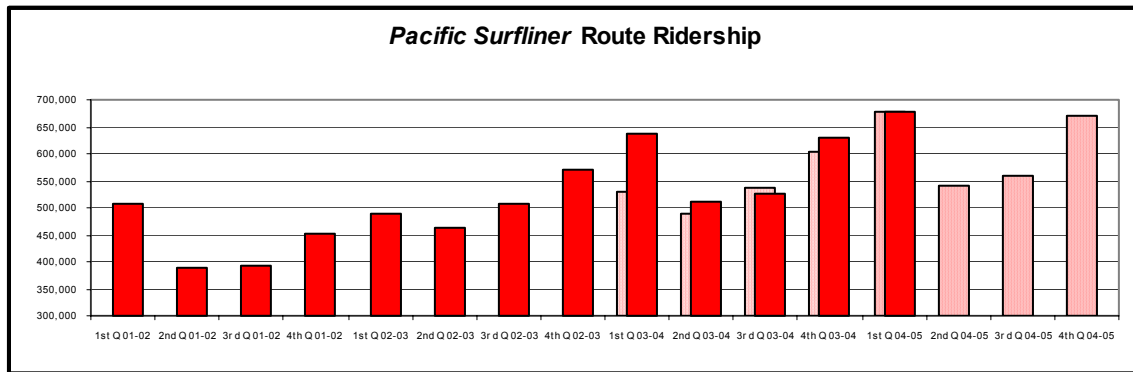
*Note: Solid Bars reflect actual data; Shaded Bars reflect Business Plan Projection*

## Intercity Rail 1<sup>st</sup> Quarter Operations Report for FY 2004-05

### *Pacific Surfliner Route*

Eleven weekday round trips currently operate between Los Angeles and San Diego, four of which are through trains between San Diego and Goleta (Santa Barbara). One of the four Santa Barbara round trips continues north to and from San Luis Obispo. A twelfth San Diego-Los Angeles round trip and a fifth Los Angeles-Santa Barbara round trip run on weekends.

Starting November 17, 2004, a second daily round trip has been scheduled for operation from Los Angeles to San Luis Obispo with a morning departure and a return in the afternoon. This new train uses a captive set of refurbished Horizon fleet equipment provided by Amtrak. Also part of the “Rail 2 Rail” program, this train serves all Metrolink stations along that



Continuing on the heels of a record 2002-03 fiscal year when more than 2 million passengers rode the service, *Pacific Surfliner* ridership grew through FY 2003-04 with just over 2.3 million passengers. Total ridership for the first quarter of FY 2004-05 was 5.9 percent higher than the previous fiscal year and equaled the Business Plan projection for the quarter.

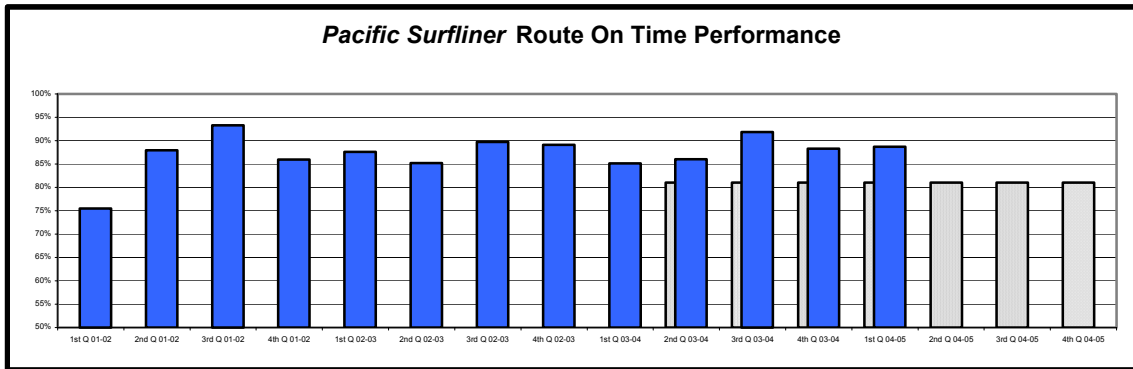
The Amtrak and Metrolink “Rail 2 Rail” program, which provides for mutual honoring of tickets for travel on trains of either system, continues to help spur ridership increases on both Amtrak and Metrolink services.

Based on successfully increased ridership from this Amtrak-Metrolink program, the Department and the North County Transit District started a *Coaster* “Rail 2 Rail” program on April 1, 2004, between Oceanside and San Diego in San Diego County. More than 35,800 *Coaster* ticket holders rode *Pacific Surfliner* trains during the initial six-month trial. The Department anticipates the program will become permanent as the *Coaster* service realizes similar growth in ridership and revenues as Metrolink and Amtrak have experienced. The Rail 2 Rail agreement with *Coaster* was just extended through the end of FY 2004-05.

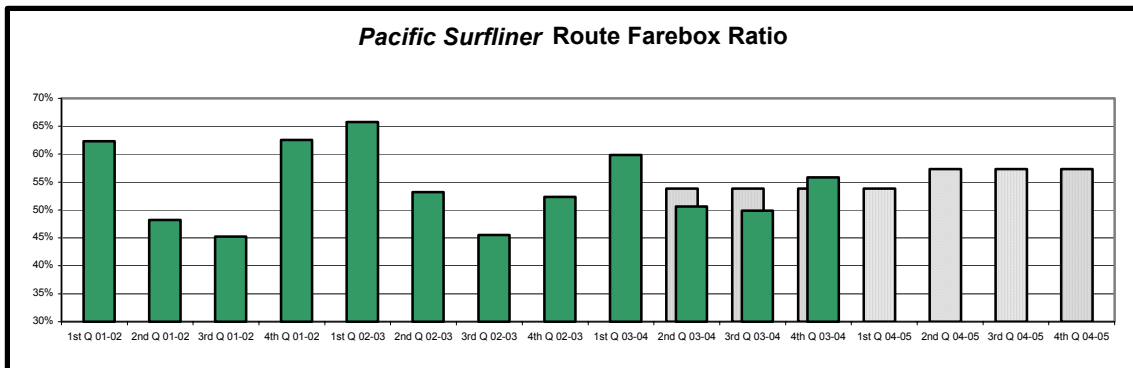
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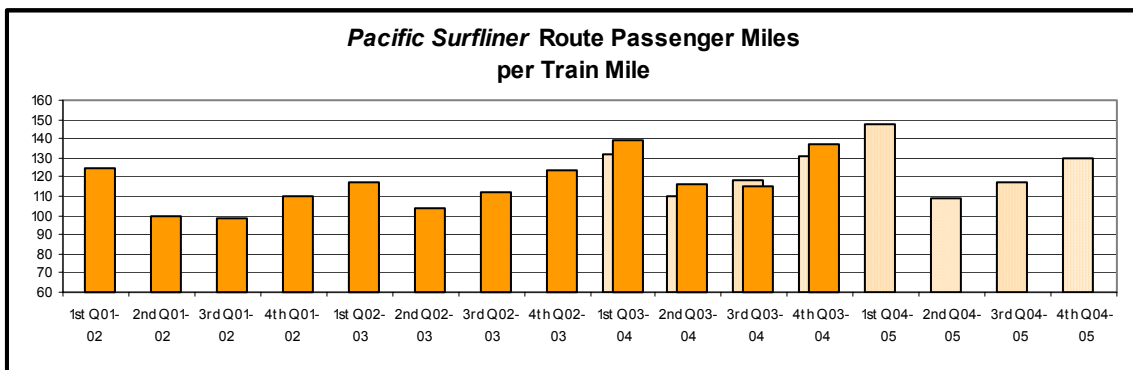
### *Pacific Surfliner Route* (continued)



On-time performance averaged 81.4 percent from July through September 2004, improving by 1.4 percent above the previous FY 2003-04 first quarter.



Revenues for FY 2003-04 from the *Pacific Surfliner* increased 10 percent compared to FY 2002-03. Expenses grew 9.4 percent during the same period—15.6 percent less than the business plan projection. Farebox recovery gained 1.6 percentage points over the prior fiscal year at 54.2 percent, which remained above a 49 percent Business Plan projection.



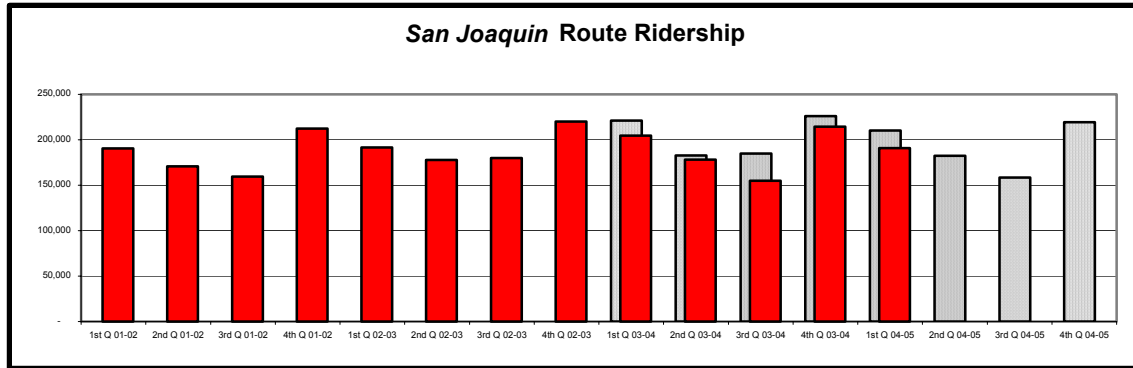
FY 2003-04 PM/TM climbed 11.2 percent from 114 passenger miles per train mile to 127. Continued growth of this indicator is, in large part, an effect of the “Rail-2-Rail” program that brings short-distance Metrolink, and now Coaster riders, onto Amtrak *Pacific Surfliner* trains.

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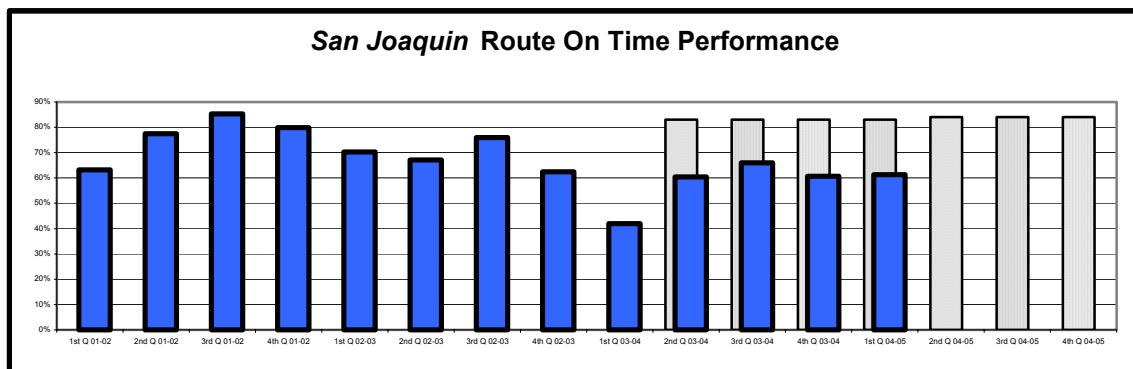
### *San Joaquin Route*

Six daily train round trips currently serve the *San Joaquin Route*: four operating between Bakersfield and Oakland/San Francisco and two operating between Bakersfield and Sacramento. All six round trips have dedicated bus connections to stations throughout Southern California. On the north end, similar buses connect Sacramento with the Oakland trains and San Francisco/Oakland with the Sacramento trains, providing six daily arrivals and departures for both northern terminals. Additional connecting buses provide feeder service to Yosemite and other communities throughout central and northern areas of the state.



Compared with the comparable quarter of the prior fiscal year, first quarter ridership on the San Joaquins posted a decline compared to the same quarter in FY 2003-04. Total ridership for the FY 2004-05 first quarter (July through September 2004) dropped 6.7 percent compared to the same quarter the year before, which remained below the Business Plan projection.

The primary contributor to the decline in first quarter ridership compared to last year was the levee break that caused widespread flooding in the San Joaquin River delta from June 4, 2004 until July 2, 2004. Burlington Northern Santa Fe Railway Company (BNSF), the freight railroad that owns tracks through this area, took July and August to bring train schedules back to normal. *San Joaquin* trains also encountered delays from increased BNSF freight business. However, San Joaquin passengers had opted to use other means of transportation because on-time performance remained unreliable for some time during this period.

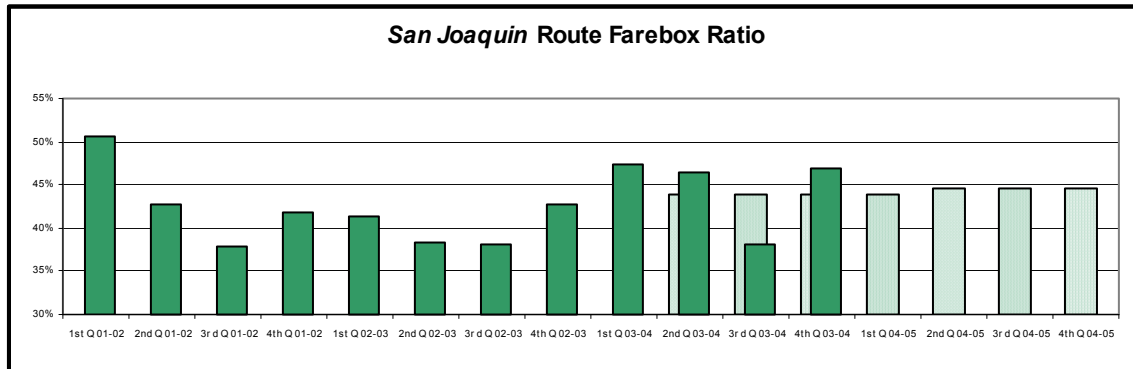


By September, the number of late trains decreased from over 80 percent to less than 20 percent on average and have continued on-time reliability since.

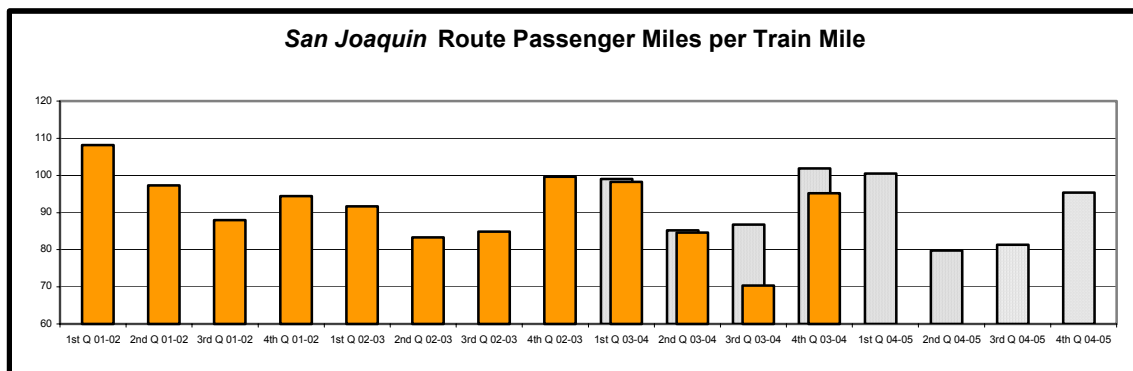
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### *San Joaquin Route (continued)*



With revenues up nearly 9 percent over the 2002-03 fiscal year and expenses down 1 percent, *San Joaquin* farebox recovery gained 4 percentage points from 40.2 percent to 44.2 percent. However, the FY 2003-04 farebox ratio fell short of the 49 percent farebox recovery projected by the Business Plan for this year. Besides the flooding and freight-related delays mentioned already, the two reasons discussed below help to explain this difference, too.



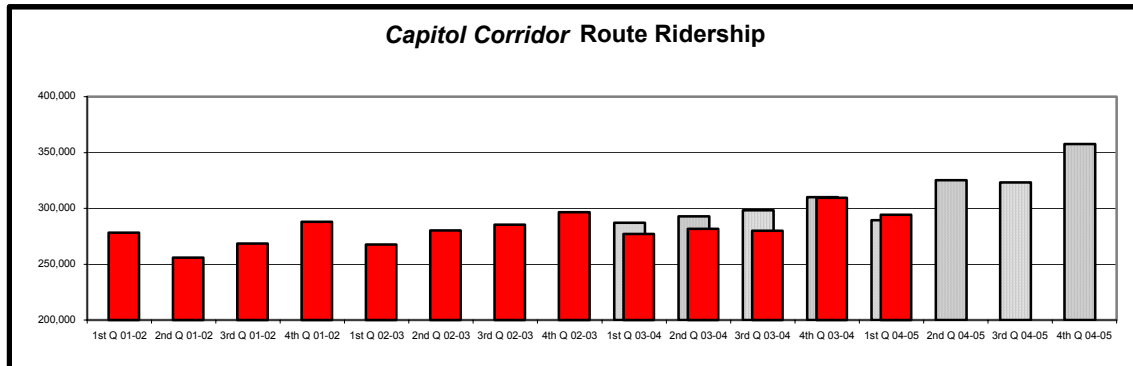
The Passenger Miles/Train Mile ratio for 2003-04 was 87.2 Passenger Miles per Train Mile, down from the PM/TM ratio of 89.9 during the last fiscal year and below the 103 PM/TM Business Plan projection. Two key factors contributed to this not unexpected drop in PM/TM. First, prior year (2002-03) ridership received a boost from a “50 Percent Off” fare promotion, resulting in passengers making longer trips. The most price-sensitive of the three state-supported Corridors, nearly one-quarter of all *San Joaquin* riders took advantage of this promotion during the two-month duration. Also contributing to the decline in ridership compared to last year was a maintenance “track blitz” that took the line between Fresno and Bakersfield out of service for a two-week period. Although a “bus bridge” was in place connecting the two cities, many *San Joaquin* passengers opted to use other means of transportation rather than the bus transfer—particularly those travelers already riding between Bakersfield and the greater Los Angeles metropolitan area.

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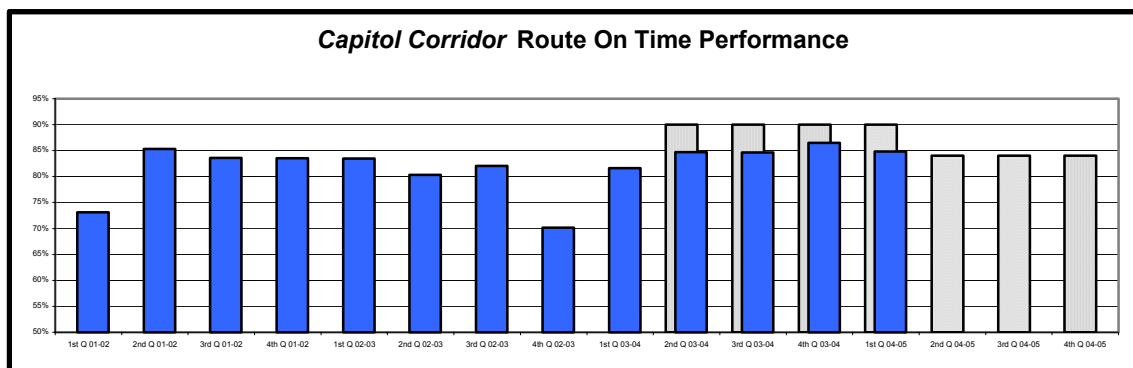
## 1<sup>st</sup> Quarter Operations Report for FY 2004-05

### *Capitol Corridor*

Twelve weekday round trips currently operate between Oakland and Sacramento, with the twelfth added in April 2003. One round trip each day continues to Auburn, and four round trips extend beyond Oakland to San Jose. On weekends there are nine Oakland-Sacramento round trips, with six round trips extending to San Jose and one to Auburn. Construction of Oakland-San Jose Track improvements currently underway will allow for operation of up to 14 daily trains to/from San Jose, as well as faster travel times and improved reliability when completed.



The *Capitol Corridor* again posted FY 2004-05 first quarter increases in ridership when compared to the first quarter for FY 2003-04. Total first quarter ridership (July through September 2004) rose 6.2 percent compared to the same quarter the year before, slightly greater than the quarter's Business Plan projection.

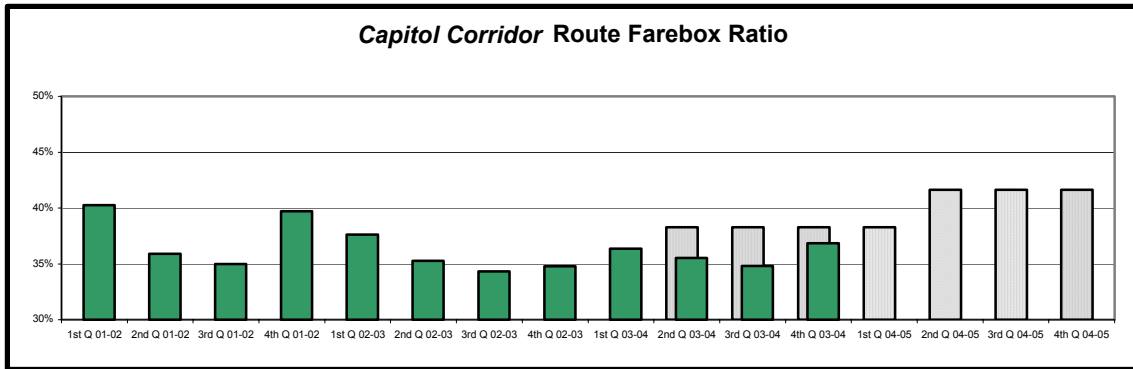


On-time performance averaged nearly 86 percent during July through September 2004. Working together, the Capitol Corridor Joint Powers Authority and Union Pacific Railroad have adopted a number of measures to improve the on-time performance along the Corridor. These efforts, coupled with the completion of the Department-funded double tracking of the Yolo Causeway and other signal improvements, raised on-time performance. However, on-time performance fell below the 90 percent goal because more freight traffic and corresponding schedule adjustments, as well as trains detoured around flooding over the Delta, temporarily generated delays across the Causeway. Union Pacific continues to facilitate *Capitol Corridor* train dispatching to improve reliability.

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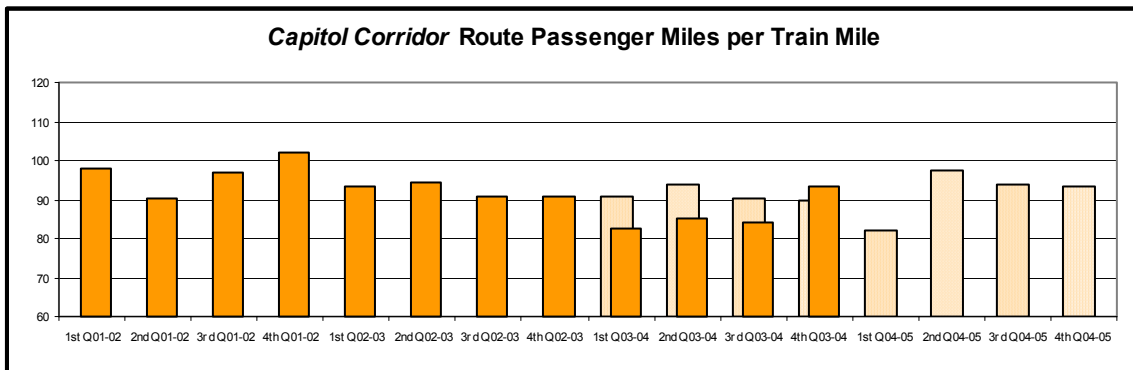
## 1<sup>st</sup> Quarter Operations Report for FY 2004-05

### Capitol Corridor (continued)



Revenues for FY 2003-04 were 3.7 percent higher than the prior fiscal year. Expenses increased by 2.4 percent but were 20 percent less than the Business Plan projections, reflecting efforts by Amtrak and the Capitol Corridor and to control costs. Farebox recovery in FY 2003-04 remained unchanged from the prior fiscal year at 36 percent, short of the Business Plan projection by 4 percent.

Beginning June 2, 2004, the Capitol Corridor Joint Powers Authority implemented peak seasonal fare pricing as well as 10 percent fare increases on multi-ride rail passes to increase revenues.



PM/TM decreased during FY 2003-04 from 92.2 to 86.3. The PM/TM ratio is also below the Business Plan projection of 90 percent.